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Health Care & Benefits

Health care needs an overhaul

In this week's Thought Leadership Roundtable, the founders of Freedom Healthworks and Marathon Health take on the medical status quo, calling for less emphasis on patient volume along with a shift to independent primary care.

Q: What is the greatest failing of our health care system?

Christopher Habig: There are quite a few failures. Let's start with non-profit hospitals being tax exempt, owned by out-of-state companies, and sending people into bankruptcy. These same hospitals treat their physicians horribly, demanding an emphasis on seeing as many patients as possible. They've decimated the doctor-patient relationship and commoditized anyone with a white lab coat and a stethoscope.

Jeff Wells: The No. 1 failing is a system focused on sick care instead of prevention. We're the richest country

in the world with the worst health outcomes among developed countries, and it doesn't have to be that way. To do better, we must overinvest in primary care, which anchored us until the 1970s. Primary care improves outcomes and lowers costs by almost 30%. To move the needle back in that direction, we need better access to independent primary care, and we have to make it easier for people to prioritize their health through preventive screenings, including annual physicals and biometrics. Eighty-six percent of our health care spend is tied to 15 chronic conditions—many of which are manageable and/or reversible through healthier lifestyle

choices. We work with employers all over the country to incentivize these preventive behaviors. When the proper rewards are combined with easy access and high-quality providers, we see a 60% increase in patient engagement with their health care.

Q: What role does the health insurance industry play in health care successes/failures?

Jeff Wells: Health insurers play an important role as financial risk managers today, though they have struggled to help bring down costs. Recognizing the importance of care delivery, it's not surprising most national insurers are seeking to broaden their role to be health managers. We see ourselves as important partners to health plans. We complement their broad network of hospitals and specialists with an independent primary care team that helps patients find the best care that leads to improved health and lower costs.

Christopher Habig: Insurers have played a huge role in promoting the misbelief that someone needs to have health insurance to see a doctor. Medical care is far cheaper and more accessible when a person does not use insurance. Save insurance for the very rare, financially ruinous events. Use health insurance like we do homeowners insurance.

Q: What are the alternatives, if any, to costly high-deductible health plans?

Christopher Habig: High-deductible health insurance is a fallacy. Most Americans can't cover their deductible if they needed to use it. Healthshares are growing in popularity because they provide a great experience, a low patient responsibility, and you don't have to pay for other people's unhealthy habits. If you take care of yourself, you should pay less. That is how healthshares function.

Jeff Wells: Employers in Indiana have always been progressive when it comes to health plan design, and 71% of the state's employers are self-insured, the third highest in the country after Delaware and Ohio, according to a recent report by the Kaiser Family Foundation. While there has been a tremendous shift to high-deductible plans, this strategy in isolation is not a panacea, as data demonstrates many patients defer needed care. We

have found employers can help their employees reduce the cost burden of high-deductible plans by incentivizing them to complete no-cost preventive visits, such as physicals, biometric screens, age-appropriate screenings and wellness challenges. In exchange for doing so, employers reward employees with an HSA contribution to help offset the out-of-pocket costs. It's a win-win because employees earn extra dollars to help fund their deductible and the employer will save money over the long term because their employees are more likely to catch chronic conditions or cancers early.

Q: How can small business owners/entrepreneurs offer affordable health plans to their employees?

Jeff Wells: Any size business can introduce new benefits that improve the health of their employees and have a proven ROI. For example, employers can directly contract for high-value, advanced primary care services, as opposed to traditional fee-for-service options, simplifying care for patients and lowering costs. The Marathon Health Network model offers seven health centers around Indy. Employers pay a per-member monthly fee, and it's turnkey. Small businesses benefit because they don't have to worry about the build-out costs associated with an onsite health center. Employers with a distributed workforce benefit because the locations are spread around town, not centralized at one corporate office or worksite. Businesses share costs without sacrificing the quality of care their employees receive. And employers save money by utilizing the additional resources provided, such as behavioral health services, health coaching, wellness programming and incentive management, which reduces the need for additional vendors to manage.

Christopher Habig: Provide a membership to a primary care physician, a dentist, and an optometrist. Give them actual medical professionals to go see. Add a low cost healthshare and, voila...a unique employee benefit that will cost less than \$500 a month for most people. It is a real, tangible benefit plan that people could use today.

Q: Delivery of care is affected by large numbers of health professionals leaving the field. What might convince them to stay?

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Christopher Habig: Changing the business model of medicine. Health care takes time. The current insurance-based model doesn't give physicians the time they need to adequately care for patients. Physicians and nurses are burnt out because they are overworked. Hospitals treat them like workers on an assembly line.

Jeff Wells: We are projected to have a shortage of up to 100,000 providers by 2025. One of my personal missions is to restore joy and meaning to the practice of medicine to help avoid this. To entice more providers to stay and help us achieve the health care system we all want in this country, we must flip from a system based on volume to one that is based on value and outcomes. Today, primary care physicians employed by hospital systems can make more money by providing more services than by actually improving the health of their patients. We must change this dynamic. We must pay providers to partner with patients to achieve their health goals. Let's pay the primary care doctor whose patient drops her A1c (blood sugar) level from a 12 to a 6 more money than if she simply referred her patient to more specialists. Give primary care providers time to build relationships and the proper incentive to drive healthier behaviors—that's what's going to keep them in the game. That's the reason they got into health care in the first place.

Q: Speaking of staffing, more and more physicians are now employed by hospitals. What does this mean to health care consumers?

Jeff Wells: It means less independence, which in today's system means the providers are improperly incentivized to increase health care consumption, not prevent it. Hospitals

are big businesses, and primary care is the loss leader that brings the masses to their doors and paves the way for consuming their priciest services—like imaging and surgery.

Christopher Habig: It is bad. Hospitals earn more money by keeping people sick. They have no interest in healing a patient. They have no interest in letting their primary care physicians help patients. They want referrals. They want you to have surgery, whether you need it or not.

Q: What is "value-based care" and how is it different from how most health systems operate today?

Christopher Habig: This is another great buzzword that means something different than it sounds. Value-based care just means that a hospital will be penalized financially if a patient has to come back. The hospital says that it is "at risk," meaning it would lose money if a patient was re-admitted. It will most likely lead to hospitals discharging patients into long-term care facilities that they control just to get them out of the hospital. This also means that they'll probably start penalizing physicians financially, leading to more doctors leaving the medical field.

Jeff Wells: Today's health systems operate on volume—more procedures, more visits, more money. It's transactional. Value-based care operates on outcomes and is based on relationships. We operate a value-based model at Marathon Health, and our providers spend 32 minutes with each patient on average—considerably more than in the traditional setting. As a provider in the value-based model, I'm digging into family history, mental health, nutritional and exercise habits. If I don't have the time to ask the questions that help us identify true root causes and build relationships that engender trust,

how can I drive sustainable change? Without sustainable change, how can we transform a health care system that keeps spending more and getting less? The simple answer is, we can't.

Q: What health care models are showing the most promise today, and what can we learn from these disruptors?

Jeff Wells: Patient-centered models of care show the most promise. The only way we change the perception of health care in this country is if we change how we deliver care. Care must be relationship-based. For Marathon, we focus on the Quadruple Aim: empowering world-class providers, creating amazing patient experiences, improving health outcomes, and lowering health care costs. We give providers the tools they need to succeed, such as better data, programs to manage chronic conditions, and visibility into the patient's full medical journey. We build a long-term relationship with the patients, and act as their "home base" for all of their health care needs, whether it be preventive care, needing a surgery, understanding a bill, or finding the right benefits program.

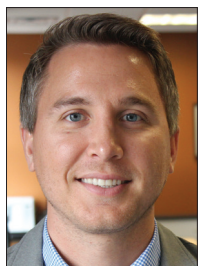
Christopher Habig: Membership-based health care. Direct primary care or concierge business models show that everyone wants simplicity. Easy to understand monthly prices,

no copays or barriers. It is an old-school way of practicing medicine that frees up our doctors and actually respects our patients.

Q: What can be done relatively quickly to improve our health care system? And what are some longer-term fixes?

Christopher Habig: At the state level, abolish non-compete agreements for physicians. This would allow patients to maintain the continuity of care from a trusted physician regardless of where that doctor worked. Enforce price transparency laws. Longer term, get hospitals out of the primary care business. At the federal level, de-couple commercial insurance from employment, make premiums tax-deductible for individuals. Increase funding for physician residency programs.

Jeff Wells: A quick fix is to over-invest in primary care. Studies have proven in a variety of ways that when individuals utilize high quality, independent primary care they live healthier lives and cost the health care system less money. Longer term, we need to demand more from our health plans and hospital systems to hold them accountable for bending the cost curve, not simply providing more and more unnecessary care at increasing costs. ●



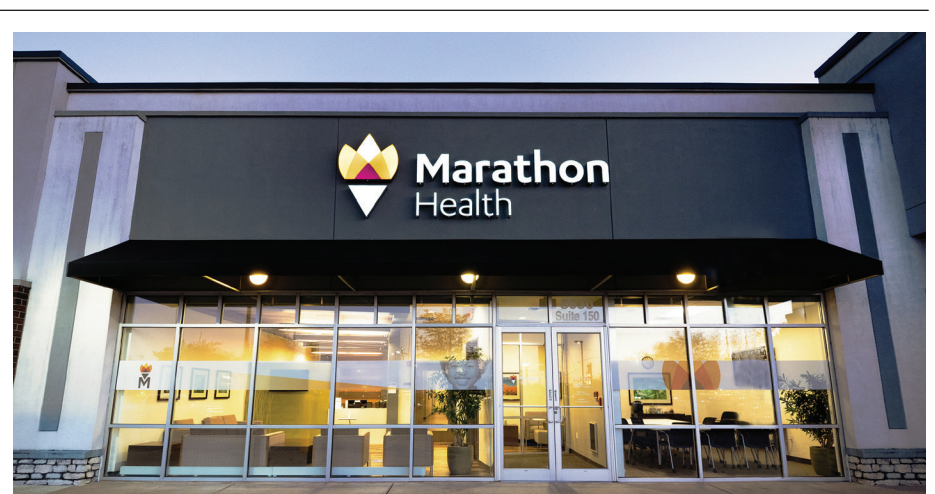
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Christopher Habig is CEO and co-founder of Freedom Healthworks and FreedomDoc, which are bringing transparency and trust back to health care by giving physicians, providers, patients, and employers an alternative to the broken status quo. Chris hosts the company podcast, Healthcare Americana, and leads the senior leadership team to drive innovation and bring free-market health care into the mainstream.



Marathon Health

Jeff Wells, MD, is the CEO & co-founder of Marathon Health, which simplifies healthcare for employers by combining independent primary care with value-driven population health management to deliver healthier members and meaningful savings. More than 200 employers nationwide enjoy exclusive access to onsite, Network and virtual health centers and annual savings of 20% on their health plan spend.



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